

# TRAINING

## IN SUPPORT OF TRANSITION

IX.

USAID-funded training courses for the staff of the Ministry of Finance are an example of the most successful assistance to Lithuania. Those courses, prepared by experts from Lithuania and the U.S., are unique both in their content and design. They have taken place during an exceptionally important period, while Lithuania is implementing public administration reforms.



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Prior to independence, there was very limited knowledge and expertise concerning managing a market-oriented economy in Lithuania. USAID realized that building institutions and the legal framework is only the first step. An efficient and effective use of knowledgeable human resources, "the people ingredient", is key to a successful economic and social transition. Training of individuals in new concepts and techniques enables this human resources element.

The USAID training program, which supported all sectors, was implemented by World Learning. In the early years of the USAID program, the training relied on entirely on short-term U.S. visits. In 1996, the revised strategy expanded the program to include in-country training and training of trainers. These training opportunities were closely coordinated with various USAID implementing partners in the various sectors. Within the program administered by World Learning, over 1,500 specialists and Government officials have benefited from the training.

**U.S.-BASED TRAINING:** The initial goal of the training program in Lithuania was to create opportunities for Lithuanian specialists to see how their sectors function in a market-oriented economy and a democratic society. Lacking even the simplest experience with entrepreneurial techniques, small and medium enterprise owners and operators were eager to learn. Every visit by an entrepreneur provided greater insights into concepts such as product diversity and quality, market-driven demand, advertising, warranties, product liability, etc. Within the Government, basic institutions had to be created and even the simplest operating procedure and regulation had to be formulated. Every visit by a Government official provided opportunities to observe how policies and regulations are developed and implemented. The results from providing U.S.-based training to over 300 carefully selected Lithuanians can be witnessed today in all sectors of the Lithuanian economy: Agriculture, Banking, Energy, Small and Medium Enterprise Development, Environment, Finance, Fiscal, Civil Society, and Public Administration. From a gender perspective, results include major legislative changes promoting the equality of women, improved job assistance for women re-entering the workplace, and increased female entrepreneurship.

- Entrepreneurial Management and Executive Development (EMED) provided entrepreneurs with U.S.-based training, which complemented the in-country technical advisors from organizations like Land O' Lakes, IESC and VOCA. A total of 107 entrepreneurs participated in these study tours. They returned from the U.S. with newly established contacts; new ideas about products that could be produced and sold; new ideas on how to improve their production techniques and product qualities; and a new perspective on how to operate their businesses. In many cases, these entrepreneurs returned with U.S. equipment and technologies to infuse their enterprises in new ideas and capabilities. In most cases, each visit was coordinated with other USAID implementing partners (IESC, Land O' Lakes, VOCA, etc) to enhance results. These coordinated efforts provided the total package of technical assistance needed for success, a package far better than either Land O' Lakes, IESC, or EMED could have done alone.

The visits lasted about a month and often took participants to several cities or U.S. firms. Generally, the entrepreneurs would meet with executives to discuss specific issues such as operations, personnel planning, marketing, or the know-how to produce a new product. Some of the U.S. executives were Lithuanian-Americans. A number of personal relationships developed during these programs that have led to ongoing business contacts between the training participants and their hosts. Many of the EMED participants were able to join American trade organizations, thus increasing the opportunity for on-going contacts. Invariably, the entrepreneurs returned with unexpected observations and new ideas. The visits fostered an enthusiasm for growth and achievement.

The entrepreneurs selected under EMED were highly qualified, and a number of them transformed their industries when they returned. For example, one participant is now the leading producer of wholesale salads for the food industry, another has started a chain of pizza shops, and a third owns the largest cosmetic manufacturer in Lithuania. The measurable impact of the EMED training visits was the increased profitability of participant companies. Within two years of the visits, 45 percent reported that their assets had increased, more than 63 percent increased their profits and sales, and over 50 percent reported hiring new employees. In total, this training program had a significant and observable impact on small and medium enterprises.

■ EMED enables Eidra Foods to improve production through better management

■ An EMED participant (on right) receives training to strengthen her road and house building company

■ USAID and U.S. Embassy representatives with EMED program graduates



It was a great pleasure to cooperate with USAID in implementing its Lithuanian banking sector program, to coordinate this program with other assistance, and to consult with the USAID resident advisors. Also, with a group of Lithuanian banking sector specialists, I received four weeks of training in the U.S. It helped us gain an in-depth knowledge about the U.S. financial markets and apply it to our daily work. Especially after the problems the sector experienced in 1996, the expertise, qualified advice and training provided under the USAID program significantly helped to strengthen the Lithuanian banking sector.



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- Sector-focused training: With the sharper program focus beginning in 1996, USAID more directly integrated training into specific assistance activities, and concentrated training efforts on key Government implementers and collaborators. Participant candidates were identified by various USAID implementing partners, approved by the USAID Mission, and provided with training organized by World Learning. For each governmental function covered by the training, a spectrum of Lithuanian officials was exposed to democratic society and market-oriented economy policies and procedures. The range of officials varied with each visit, but included Ministerial officials, members of parliament, and Lithuanian regulatory organization staff, all those required to implement the policies and procedures. Examples are varied and plentiful. Ministry of Finance staff and members of parliament learning about tax and budget policies, tax administration, and other fiscal issues. Bank of Lithuania and private banking officials learned about monetary policy, financial instruments, and banking policies, contributing to a successful recovery of the banking sector after its collapse in 1995-1996. Key staff of the National Control Commission for Energy Pricing and Energy Activities learned how U.S. energy regulatory policies, pricing methodologies, and public service commissions operate. In other instances, Elektrenai Power Plant operating staff from the Lithuanian power company, Lietuvos Energija, received training about how to use lower-cost fuels. Support for democracy, rule of law, and non-governmental organizations was provided to develop a network of local counterparts devoted to building and strengthening Lithuania's democratic institutions.

- The Lithuanian American Business Initiative was formed in 1997 by a group of entrepreneurs who had just returned from their U.S. visit. With assistance from World Learning, they joined with the common goal of seeking more U.S. experience and contacts for Lithuanian businesses. Quarterly seminars, weekend retreats on preferred subjects, and networking with other organizations keep this self-sustaining NGO growing. Its members value the networking that is provided.

IN-COUNTRY TRAINING PROGRAM: In 1996, in-country training became an increasingly important element of the program to expand the reach of the program. The majority of the in-country training involved the democracy and fiscal policy sectors. Several very successful in-country training programs were developed and implemented:

- The Program on Open Legislative Process assisted the Seimas of the Republic of Lithuania to institutionalize participatory parliamentary procedures. Training and consultations facilitated an open committee hearing that enabled experts and NGO representatives to comment on draft legislation.
- The Economic Restructuring Seminars for the Seimas provided sophisticated updates to parliamentarians concerning analytical techniques and solutions to economic issues in banking, energy, budgeting, debt management, and investment. As a result, information exchanges between local experts, Government officials, and Members of Parliament increased significantly.
- The Ministry of Finance Training Center Capacity Building Project is enabling the Ministry to set up its own facility for in-service training for employees. The combination of on-the-job training and an in-service program made a significant contribution to the Ministry of Finance's staff capacity. While the initial focus was on U.S.-based programs, starting in 1999, it shifted to in-country training. As a result of this program, four courses are available to all Ministry of Finance employees, and over 30 trainers have learned how to deliver courses in fiscal policy, treasury and debt management, orientation to the Ministry of Finance, and budget management.
- The Lithuanian Banking, Insurance and Finance Institute received USAID assistance to provide training of trainers to establish courses for banking and financial sector officials. Based on U.S. experience, but structured to meet the Lithuanian situational needs, this program provided a greater opportunity for banking and financial sector officials to become familiar with international policies and procedures at a significantly lower cost than a U.S. visit.

■ Open Hearing in the Seimas of the Republic of Lithuania, December 1998

■ Public Finance Course in Birstonas for Ministry of Finance officials, June 1999

■ Training of Trainers in the Finance sector, 1996

